



Forest City comments on officially executing development agreement for new City Hall

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LAS VEGAS – Forest City Enterprises, a national real estate development company, officially entered into a development agreement today with the city of Las Vegas to construct a new City Hall as the sale of the bonds needed to finance the project officially closed.

"Today marks the beginning of a world-class project, and we, along with our partners, LiveWork, LLC, are eager to begin construction on the new City Hall as well as the surrounding projects, helping to create jobs and stimulate the local economy" said Dimitri Vazelakis, president of west coast commercial development for Forest City.

"The finalizing of this bond sale really opens the door to a stimulus package for our downtown," said Mayor Oscar B. Goodman. "The new City Hall is just one in a series of projects we envision that will put more than 13,000 people to work in the future, and generate billions in private investment. Citizens have made it clear that the city should be in the business of helping create jobs and righting our economy--and the City Hall project is a major step in that direction."

A total of \$188.3 million in bonds, a majority of which are comprised of Build America Bonds, were sold through an underwriting team to institutional investors at an average interest rate of 5.19 percent. The sale of these bonds closed today. With the sale closed, the financing for the construction of the City Hall project has been funded and the development agreement and other related agreements for the development of the project are now effective.

As approved by the City Council on Dec. 2, the new City Hall will be financed through Certificates of Participation that are backed by Build America Bonds. Created as part of federal economic stimulus legislation, Build America Bonds allow the city to finance the project at a lower effective tax rate, a benefit for the city, its taxpayers and investors.

Construction on the new City Hall, to be located downtown between First and Main Streets and Lewis and Clark Avenues, is expected to begin in mid-January 2010 and estimated to be completed in April 2012.

About Forest City

Forest City Enterprises, Inc. is an \$11.7 billion, NYSE-listed national real estate company with a 20-year history of developing, owning and managing properties in Las Vegas, Nev. The company is principally engaged in the ownership, development, management and acquisition of commercial and residential real estate and land throughout the United States. For more information, visit www.forestcity.net.

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